

Dated: February 20, 2020



UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

Minute Entry

Daniel P. Collins
Daniel P. Collins, Bankruptcy Judge

Hearing Information:

Debtor: PHOENIX HELIPARTS INC.
Case Number: 2:15-BK-12003-DPC Chapter: 11
Date / Time / Room: TUESDAY, FEBRUARY 18, 2020 11:00 AM 6TH FLOOR #603
Bankruptcy Judge: DANIEL P. COLLINS
Courtroom Clerk: RHONDA VAUGHAN
Reporter / ECR: RENEE BRYANT

Matter:

ADV: 2-16-00331

Robert Reish & Phoenix Heliparts Inc. Liquidation Trust vs Ryuko, Inc. & Phoenix Heliparts Inc. & LOUIE MUKAI & Phoenix Heliparts Inc. Liquidation Trust & Kathleen Reish & Robert Reish

Motion to Authorize Reopening of Discovery and Related Matters RE: helicopter 0041FF valuation filed by H. LEE HORNER JR. of GOLDSTEIN LEGAL TEAM, PLLC on behalf of Kathleen Reish, Robert Reish. (Lee Horner - T)
R / M #: 0 / 0

Appearances:

JIM CROSS, ATTORNEY FOR LOUIE MUKAI
LOUIE MUKAI, TRUSTEE
H. LEE HORNER, ATTORNEY FOR RYUOKO, INC, KATHLEEN REISH, ROBERT REISH

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(continue)... 2:15-BK-12003-DPC

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Proceedings:

Mr. Horner addresses the Motion Reopening Discovery for the purpose of establishing a value of the MD Helicopter (0041FF) as of the date of close of escrow and to establish a discovery plan.

Mr. Cross places his objection on the record and reviews the history of the proceedings. Mr. Cross notes on October 28, 2018, this Court held a one-day trial and entered its Under Advisement Order on December 28, 2018 (Dkt #163) which was appealed by Mr. Reish. He argues Mr. Reish had an obligation to bring the valuation issue to this Court in October 2018, and failed to do so. On November 15, 2019, District Court Judge Rayes heard oral argument and on November 25, 2019, affirmed this Court's ruling of the January 31, 2018 Under Advisement Order. Judge Rayes then remanded back to this Court for further evidence to support this Court's determination of value.

The Court heard oral argument on the Defendant's Motion to Authorize Reopening Discovery and the Objection filed on behalf of Phoenix Heliarts, Inc. Liquidation Trust.

The Court discusses the November 25, 2019, Order from Judge Rayes entered at Docket #191. The Court notes Judge Rayes remanded the matter to the bankruptcy court to ascertain the value of the 41FF on October 27, 2015.

FOR THE REASONS STATED ON THE RECORD; IT IS ORDERED DENYING THE MOTION TO AUTHORIZE REOPENING DISCOVERY.

MR. CROSS IS DIRECTED TO PREPARE A FORM OF AMENDED JUDGMENT WHICH CALLS FOR A \$2.51 MILLION JUDGMENT AMOUNT SUPPORTED BY SPECIFIC CITATIONS MADE TO THE RECORD, INCLUDING A NUMBER OF THINGS WHICH WERE IDENTIFIED BY MR. CROSS, INCLUDING, BUT NOT LIMITED TO AT PARAGRAPH 7 PAGE 12 OF DOCKET ENTRY 132. FOR ALL THE REASONS MR. CROSS HAS IDENTIFIED HE IS TO INCLUDE IN THE DETAILED IN THE FORM OF FINDINGS AND JUDGMENT. THOSE FINDINGS AND THE JUDGMENT SHALL INCLUDE AN ALTERNATIVE JUDGMENT SHOULD AN

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APPEALANT COURT REJECT THE \$2.15 MILLION VALUE OF THE 41FF. THAT ALTERNATE VALUE SHALL BE \$1.395 MILLION, THE PRICE REISH PAID FOR THE 41FF WHEN IT PURCHASED THAT HELICOPTER FROM PHP IN 2014. ALTHOUGH THAT SALE AGREEMENT ALSO REFLECTED A "TBD" PRICE FOR ADDITIONAL WORK TO BE DONE TO THE 41FF FOR REISH, THE COURT FINDS THAT THE \$1.395 MILLION IS NOW PAID BY REISH TO PHP REFLECTS THE 2014 "AS IS", "WHERE IS" VALUE OF THE 41FF. THE COURT NOTES THAT THE ONLY EVIDENCE INTRODUCED AT TRIAL PERTINENT TO THE OCTOBER 27, 2015, VALUE OF THE 41FF WAS THE 2015 SALE TO AMOD (\$2.15 MILLION) AND THE 2014 SALE OF THE 41FF TO REISH (\$1.395 MILLION). THE PARTIES ACKNOWLEDGE THERE WAS NO WORK DONE TO THE 41FF AFTER REISH PURCHASED THE 41FF FROM PHP.